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#### SUMMARY

Peking explains that the Northwest petroleum, copper, and coal resources to become available through extension of the railway system to Sinkiang are items that "also are abundant in the USSR." This possibly is to reassure that the Russians, long recognized as having special exploitation rights in Sinkiang, will allow China to benefit from her own natural resources.

Considerable effort is made to represent the agreement between China and Outer Mongolia, worked out in Moscow, as a treaty between two sovereign Nations. Moscow uses Chinese National Day to illustrate China's firm position in the Soviet orbit, and Peking stresses Russian interest. However, it might be significant that the Deputy Chairman of the Soviet cultural organization recognizes National Day, while the Chairman gives his attention instead to the SSFA anniversary.

The peace conference is represented as strictly a Peking undertaking, with the good will of most people, including those of the United States, and the USSR relegated to the background. Naturally Moscow's meeting overshadows Peking's conference. That the USSR planned it that way is obvious from the fact Russians were in Peking to plan all arrangements.

Kao Kang, explaining why the Russian plan to concentrate on heavy industry, despite the people's need for consumer goods, must be followed obediently, reveals that the much-vaunted national construction program is seriously handicapped by the Korean war. The Chinese also admit the effectiveness of the blockade, and though pretending other Nations are suffering, while China soon will be self-sufficient, admit they would welcome trade with any Nation, even the United States. Apparently it is becoming obvious that Sino-Soviet trade will not suffice, as doubters are assured the new situation will not preclude a return to trade with Western Nations.

The Security Minister admits counterrevolution exists among the minorities, is a "serious problem" in the South and Southwest, and has evaded extinction along the borders and coasts through American assistance. Chiang supporters are said to be losing out among Overseas Chinese, but it is admitted they have caused "internal dissension."

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